

NEW PLAN REJECTED BY MARINE STRIKERS

Insist on Reinstatement of
Men Who Deserted
Their Ships.

DAVIS SEES HARDING

Then Says He Will End
Mediation if Efforts
To-day Fail.

OWNERS REMAINING FIRM

Positively Refuse to Sign Con-
tract for Year, as Work-
ers Demand.

WASHINGTON, May 31.—Demands of the marine engineers for a clause in the proposed agreement with the Shipping Board providing for the reinstatement of the men who left their ships in the marine wage controversy prevented a settlement of the shipping strike to-day. Secretary Davis announced after a series of conferences with both parties. Later he visited the White House, but no statement was made concerning his discussion with the President.

The Secretary will confer with the engineers again to-morrow. It was announced, but he said to-night he felt that he had exhausted every means of settling the dispute and unless the present tentative agreement, as signed, he would devote no more time to the matter. Under the terms of the agreement already approved by Chairman Benson of the Shipping Board and said by Labor Department officials to have been ratified in a referendum Sunday by union locals the matter of reinstatement was to be left to an understanding that each case would be settled "in fairness" to all parties concerned.

Secretary Davis conferred with both the engineers and Shipping Board officials to-day and also kept in close touch by telephone with the American Ship Owners Association, which was in session in New York. He announced later that the association would be in session again to-morrow and that there was yet a chance of their agreeing to the proposed terms. In such an event, he added, the agreement would, in his opinion, yet be signed by all parties.

The American Steamship Owners' Association met at 11 Broadway and once more voted unanimously against accepting the proposals. This action took the form of an indorsement of the position held by the officers and wage and working rules committee of the association. H. H. Raymond, the president, was chairman of the meeting. The vice-president and general manager, Winthrop L. Marvin, said after the meeting that the strike "appears virtually to have ended."

Speaking informally, Mr. Marvin said: "The proposed agreement is absolutely unacceptable. Business and economic conditions are such that we have no assurance wages can be maintained at their present level for the period of a year."

The association has said all along that it would not consent to a year's agreement, and two weeks ago it also voted not to enter into any signed agreement with the striking unions. Union leaders say they were told before the strike that in addition to the 15 per cent. cut then decreed there would be other cuts in the course of a year. When Admiral Benson, for the Shipping Board, signified his willingness to become party to a compact running a year the engineers regarded it as a triumph for their side.

The Shipping Board controls about 7,000,000 gross tons of shipping and the private owners about 4,000,000.

SEVENTY DESTROYERS SAIL.
Seventy destroyers of the Atlantic fleet, which had been two weeks at anchor in the Hudson, sailed yesterday for their summer base at Newport, R. I.

\$120,000,000 WRUNG FROM FIRE INSURERS

Continued from First Page.

was competition, as sometimes occurred up State, the mutual companies far under bid the stock companies. When the Federal Government levied a 1 per cent. war tax on fire policies, the exchanges lacked on a 10 per cent. increase "to add to the galaxy of taxes," Mr. Untermyer said. This boosted the rate to about 77 cents a hundred and yielded approximately \$120,000,000 to the companies.

The National Underwriters and the local exchanges have a community of interest, it was shown. New York city admittedly has the best fire prevention and fire protection systems in this country and its buildings are more nearly fireproof, and yet New York pays higher insurance rates than most of the cities where conditions are nothing like as good. This is because the exchange has locked out the mutual companies.

Frank Bishop, secretary and general manager of the Panhandle Mutual Fire Insurance Company, testified that his concern was permitted to do business in New York on condition that its profit sharing policy would not be carried out. The average premium paid in dividends by this company is about 20 per cent. on the face of a policy.

"What is to be done with this accumulation?" Mr. Untermyer asked.

"Distribute it to our policy holders in other communities," Mr. Bishop said.

"So that outsiders will get extra premiums, while New Yorkers lose about one-quarter of theirs?"

"That is correct."

"Don't you see the manifest injustice of that?"

"Yes. There is no alternative but to put the money in our reserve. If we were to return the dividends to our policy holders in New York, we would be expelled from the exchange."

"There is neither reason nor justice in any such condition being imposed on any mutual company," Mr. Untermyer said. Judge Charles P. McClelland of the United States Court of Appraisers and a trustee of the Board of Education of Dobbs Ferry, told what that town had

faced in the way of an extraordinary insurance policy.

In 1914 the School Board took out \$79,400 in policies on the school buildings. Thirty days thereafter the insurance companies gave notice of a rise in rate. The board refused to pay it and the policy was cancelled. The board took out policies through mutual companies at about half the rate. Thereafter one of the mutual companies joined the New York Exchange and the board was compelled to pay a much higher rate on \$40,000 worth of the insurance.

L. G. Purmont, assistant secretary of the Central Manufacturers Insurance Company, said the mutual companies write one-third of one per cent. of the insurance in this State and twenty-five per cent. in States where there are no restrictions. Mr. Untermyer told the witness that the committee was convinced the activities of the exchange constituted criminal conspiracy. The witness said the exchange does not permit its companies to place insurance on a new risk part of which has been insured in mutual companies.

Would Expel Any Offenders.

Malcolm B. Dutcher, insurance broker, of Frank & Du Bois, admitted that the rules of the Insurance Exchange through which he operates prohibits him from placing business with other than exchange companies under the penalty of expulsion.

"That is a vicious thing, isn't it?" Mr. Untermyer asked.

"It materially cuts down the mutual underwriting capacity."

"Can you conceive of any justification for such a regulation except the throttling of competition?"

"I cannot say I do."

Mr. Dutcher handles the fire insurance business for the Metropolitan Life Insurance Company, which amounts to \$285,000,000 in New York annually.

"Didn't you know that was a criminal restriction?" Mr. Untermyer asked, referring to the practice of the exchange.

"I did not."

"You can see the vice of it?"

"I surely can."

"You think it ought to be corrected?"

"I do."

Austin F. Hancock was a nervous witness. He evaded questions. After much cross-examining he testified that the rate on \$1,500,000 insurance for school buildings in Niagara Falls had been cut from 74 to 59 after mutual com-

panies had entered the field. He is head of Hancock & Co. The witness insisted the cut was not due to competition.

In reviewing the history of attempted legislation in this State dealing with fire insurance Mr. Eklund presented copies of bills introduced in Albany supposedly to help the mutual companies but which in fact imposed terms making it next to impossible for those companies to get a foothold here. Those bills were not passed.

The hearing will continue to-day.

UNTERMYER WILL ARBITRATE.

Acceptable to Both Sides in Westchester Building Strike.

The Westchester County Employers' Association has chosen Samuel Untermyer as arbitrator in the building strike in Westchester. It was made known yesterday. It was announced that the decision to name Mr. Untermyer proved satisfactory to the union delegates, they having appointed him previously to act for them.

Mr. Untermyer has agreed to act, it was stated. He was told of his selection by George T. Kelly, chairman of the operators' executive committee. The situation was outlined to him, and he said he would take it up immediately.

OPEN PRICE BODIES FACE FEDERAL SUITS

Daugherty Announces Decision to Bring Anti-Trust Indictments.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., May 31.

As a direct result of a long Cabinet discussion of the subject to-day Attorney-General Daugherty announced to-night that the Department of Justice would begin anti-trust prosecutions as a result of its investigations into the practices of so-called "open price" associations. Mr. Daugherty said the decision does not mean the Administration contemplates throwing out the drag-net over all business or bringing wholesale indictments.

"What the department intends to do," he said, "is to proceed vigorously against those classes of business which are violating the law. The department will begin its actions by selecting a particular association. The department will

agree upon procedure within a few days. I shall not name the association that we have in mind. Our steps may include both the bringing of indictments and the filing of a bill under the civil statutes."

The Attorney-General's statement was made after the Cabinet meeting to-day when there was discussed the entire question of the Government's attitude against combinations which are said to still maintain open price arrangements or systems for the interchange of information. The Administration, according to Mr. Daugherty, maintains that such practices are clearly unlawful.

That the practices now being investigated were encouraged during the war does not mean that the Administration must acquiesce in their continuance, the Attorney-General said. He holds that while they may have served a good purpose during the war the effect now is to stifle competition and to charge customers unfair prices.

The policy of the department, Mr. Daugherty said, is to encourage the discontinuance of alleged violations by voluntary action among associations and to keep at a minimum the amount of litigation.

HARBOR PROJECT OPPOSED.

WASHINGTON, May 31.—Improvement of San Luis Obispo harbor and the Klamath River, California, is inadvisable at this time, Secretary Weeks stated to-day in forwarding to Congress the army engineers' adverse report on both projects.

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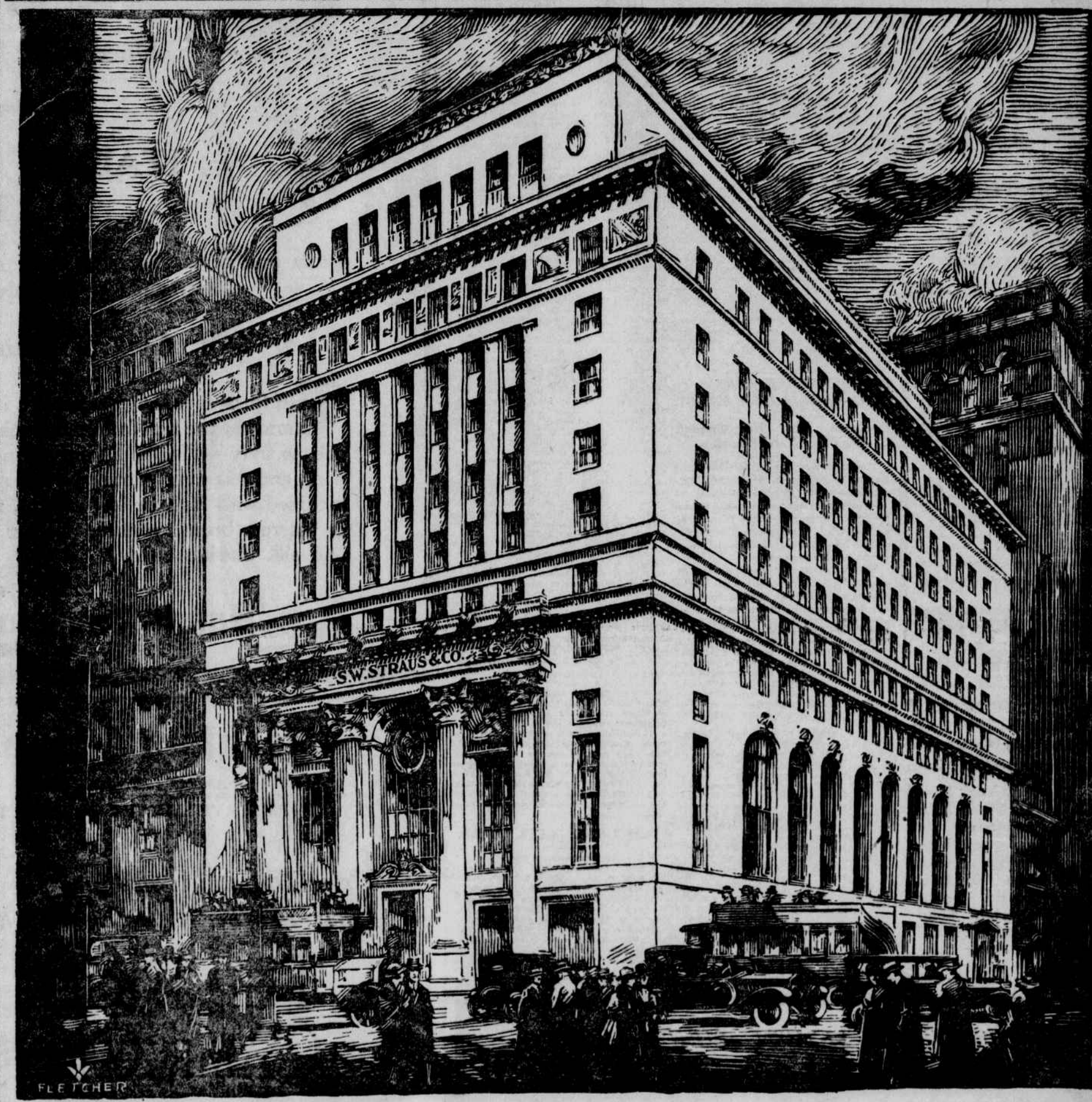
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